

## REMARKS

Claims 15-18 and 20-22 are pending in the application and stand rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over U.S. Pat. No. 5,440,334 (“Walters”) in view of U.S. Pat. No. 5,619,247 (“Russo”) and U.S. Pat. No. 5,438,355 (“Palmer”). The examiner is respectfully urged to reconsider the application and withdraw the rejections.

Applicants’ undersigned attorney would appreciate the opportunity to discuss the application with Examiner Peng. We will contact the examiner to schedule a telephonic interview. In the mean time, the examiner is invited to call Applicants’ attorney directly at 206 332-1384 to discuss any issues that might be resolved by way of an interview.

### **Rejection of claim 15 under 35 U.S.C. 103(a)**

With regard to independent claim 15, the examiner’s asserted rationales for rejecting the claim based on the combined disclosures of Walters, Russo and Palmer are summarized below along with our remarks in rebuttal:

(1) The examiner first asserts that Walters discloses that movies are each transmitted at short intervals at eight to ten times real time or faster, so that a movie may be available for viewing within no more than the interval time plus a transmission recording time on the order of 11 to 14 minutes or less.<sup>1</sup> For this aspect of claim 15, the examiner cites to Walters col. 12 line 53 – col. 13 line 5. The examiner concedes that Walters “is not specific about high demand movies during prime time viewing hours,” which we interpret as the examiner saying that Walters fails to disclose the following recitation of claim 15: “so that a high demand movie is made ~~may be~~ available for viewing within no more than the interval time plus a transmission/recording time on the order of 11 to 14 minutes or less.” The examiner then says that Official Notice is taken that it is well known in the art that during the prime time viewing hours highly demanded movies are requested, and that it would have been obvious to modify

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<sup>1</sup> This recitation has been clarified in the above amendment. The recitation now reads, “so that a high demand movie is made ~~may be~~ available for viewing within no more than the interval time plus a transmission/recording time on the order of 11 to 14 minutes or less”. This change was made to avoid any argument that the language “may be” rendered the claim unclear as to its scope of protection.

Walters' system ***“to burst the high demand movies during prime time to serve more customers with available bandwidth.”***

(2) Further, the examiner asserts that Walters discloses a central controller system having a database for storing billing information regarding customer's ordered programs, citing to col. 12 lines 6-12 (which states that the billing occurs when the program is received, not when it is viewed). The examiner concedes that Walters “is silent about verifying to the controller system that a preselected, recorded movie has been played back for viewing; and a billing system associated with the central controller system to bill customer households for only those preselected, recorded movies that are played back for viewing.” Here, the examiner cites to Russo col. 5 lines 1-10 and asserts that Russo teaches billing the customers for the recorded selections and movies that actually played. The examiner then says that it would have been obvious to modify Walters' system to charge only when a movie is viewed, as taught by Russo ***“to encourage more viewers to record the programs for later viewing.”***

(3) In addition, still with regard to claim 15, the examiner concedes that Walters and Russo both are silent about a central controller system having a database for storing an address corresponding to each customer household. For this aspect of claim 15, the examiner cites to Palmer, col. 3 lines 33-40, as teaching a central controller system having a database for storing an address corresponding to each customer household. The examiner then asserts that it would have been obvious to modify the combined system of Walters and Russo to include a database for storing an address corresponding to each customer household, ***“as taught by Palmer to maintain address and billing information thereby keeping accurate records and efficiently managing data.”***

Applicants respectfully submit that the combined disclosures of Walters, Russo and Palmer cannot be said to create a *prima facie* case of obviousness of applicants' claim 15. In this regard, the examiner is reminded that, to support such a *prima facie* case of obviousness, he is required to present **reasons** why a person of ordinary skill would find it obvious to select among

the disclosures of the various technologies described by the cited references, so as to arrive at applicants' claimed invention. See MPEP § 2141:

The key to supporting any rejection under 35 U.S.C. 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious. The Supreme Court in *KSR International Co. v. Teleflex Inc.*, 550 U.S. 1, 14, 82 USPQ2d 1385, 1396 (2007) noted that the analysis supporting a rejection under 35 U.S.C. 103 should be made explicit. The Federal Circuit has stated that **"rejections on obviousness cannot be sustained with mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness."** In re Kahn, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006). See also *KSR*, 550 U.S. at 14, 82 USPQ2d at 1396 (quoting Federal Circuit statement with approval). [Emphasis added]

In the Office Action, the examiner sets forth a conclusory, hindsight-based rationale for combining the references in the manner proposed to support the rejection. In connection with the rejection of claim 15, the examiner essentially takes the position that Walters in combination with knowledge about which the examiner takes "Official Notice" would have made it obvious modify Walters' system **"to burst the high demand movies during prime time to serve more customers with available bandwidth."** But the analysis presented in the Office Action is deficient in several respects. First, the Office Action fails to provide articulated reasoning as to why it would have been obvious to modify Walters to use shorter transmission intervals for high demand movies during prime time, particularly in a system of which includes a DBS data transmission system configured for "blanket transmitting". The examiner has not explained why blanket transmitting at shorter intervals is needed in order to serve more customers with available bandwidth, especially in a system designed to encourage viewers to locally store copies of movies for later viewing. Nor has the examiner explained why the Walters system would have benefited from the hypothesized modification. We respectfully submit that the examiner's taking of "Official Notice" as this aspect of the claimed invention is improper.<sup>2</sup>

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<sup>2</sup> The MPEP specifies the **limited** circumstances in which the taking of Official Notice is proper. For example, MPEP § 2144.03 says, "It would **not** be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known." In view of this guidance, we respectfully submit that the examiner's assertion of Official Notice in this case is improper.

Similar comments apply to the other assertions made by the examiner, i.e., for modifying Walters in view of Russo to include a mechanism for billing customers for recorded selections that are actually viewed, and for modifying Walters-Russo in view of Palmer to include a database for storing address information. The former modification proposed by the examiner is based on the assertion that this would be obvious “to encourage more viewers to record the programs for later viewing”. The latter modification is based on the asserted motivation of “keeping accurate records and efficiently managing data”. But these are merely hindsight arguments based on the present applicants’ teachings, and these arguments attempt to transform applicants’ teachings into an argument for unpatentability. In other words, the examiner is saying that it would have been obvious to combine and modify the prior art because the present applicants have taught that such a system would have advantages over the prior art. Applicants respectfully submit that this is not a proper obviousness analysis but rather relies on improper hindsight to select disparate aspects of the prior art and assemble them in the manner recited by applicants’ claims.

Thus, for at least the reasons above, we respectfully submit that all the limitations of amended claim 15 are not taught or suggested by Walters, Russo and Palmer. Therefore, withdrawal of the rejection for amended claim 15 is earnestly solicited.

Claims 16-18, and 20-22 either depend directly or indirectly from claim 15, thus we submit that all the limitations of these claims are not taught or suggested by the prior art of record. Therefore, withdrawal of the rejections of claims 16-18 and 20-22 is earnestly solicited.

### **CONCLUSION**

Applicants believe that the present reply is responsive to each point raised by the examiner in the Office Action and Applicants submit that claims 15-18 and 20-22 are in condition for allowance. Favorable consideration and passage to issue of the application at the examiner’s earliest convenience is earnestly solicited. However, should the examiner find the claims as presented herein not to be allowable for any reason, Applicants’ undersigned representative requests a telephone conference to discuss the basis for the examiner’s continued rejection in light of the arguments presented herein. Likewise, should the examiner have any

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questions, comments, or suggestions that would advance the prosecution of the present application to allowance, Applicants' undersigned representative would very much appreciate a telephone conference to discuss these issues.

Respectfully submitted,

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